

Standard Terms and Conditions of Purchase (STCPs) of the Company Friedr. Freek GmbH for Commercial

Transactions with Companies (our Standard Terms and Conditions of Purchase and our Standard Terms and Conditions of Delivery and Sale are available for you to view and download in the Internet at any time. You can fetch the current version from www.freek.de)

1. Applicability of the Terms

- (1) Our Standard Terms and Conditions of Purchase apply only to companies (§ 14 of the German Civil Code (referred to below by its German abbreviation, BGB)). They also apply to all future business transactions with the supplier.
- (2) Our Terms and Conditions of Purchase apply, to the exclusion of all others. They override supplier terms of business. They will also not be mandatory if they do not contradict our STCPs. The same applies if the purchaser does not once again specifically contradict them or accepts the performance unreservedly. This does not apply to declarations by the seller about retention of ownership of goods supplied to the seller, when these declarations are made in the forms recognised by the law and jurisdiction. However, retention of ownership at group level, and any duty of the purchaser to transfer the retention of ownership, are excluded.
- (3) All agreements reached between the supplier and ourselves for the purpose of performing this contract must be recorded in writing in this contract.
- (4) Unless otherwise specified in these Terms and Conditions of Purchase, the terms and definitions of INCOTERMS 2010 apply.

2. Conclusion of Contract and Confidentiality

- (1) Quotes must always be made in writing, at no cost to the purchaser. Purchase orders are only legally binding for the purchaser if they are issued in writing. Reductions or additions to orders that have already been awarded must be made in writing.
- (2) The supplier is obliged to accept our order within a period of 10 working days. If the seller's order acceptance or order confirmations differ from the purchaser's order, the purchaser must be informed specifically in writing. In this case, a contract will not officially start until the purchaser provides their agreement in writing, or the seller provides an order confirmation that matches the order, or the purchaser tacitly accepts the order.
- (3) We retain proprietary and commercial property rights, and copyrights, to illustrations, drawings, costings and other documents, samples, models and similar. They are subject to strict confidentiality, and must not be supplied to third parties without our specific written agreement. This also applies after termination of this contract, for as long as the manufacturing knowledge contained in it is not public knowledge.

3. Prices and Terms of Payment

- (1) The price stated in the order is binding. The price includes delivery "carriage paid", including normal packaging that is suitable for transportation.
- (2) If in doubt, the legally applicable value-added tax is included in the price.
- (3) The supplier is obliged to provide the purchase order number stated in our order, in accordance with the specifications stated there, on all invoices.
- (4) Unless otherwise agreed, we will pay the net purchase price within 10 working days, calculated from delivery and receipt of the invoice with 3 % cash discount, within 30 working days with 2% cash discount or within 60 working days after delivery and receipt of the invoice.

4. Delivery and Acceptance

- (1) The delivery time stated in the order is binding. Delivery deadlines run from the purchase order date.
- (2) The purchaser's acceptance deadline will be extended as appropriate in the event of acts of God and all unforeseen difficulties that might occur after the conclusion of the contract, especially industrial disputes, official interventions and transportation problems for which the purchaser has no responsibility, insofar as such difficulties can be proved to have a significant influence on the acceptance of the sold object. This also applies if these circumstances occur at the location of the purchaser's customers, identified in the sales contract. The same applies to the delivery time, if circumstances of this kind occur in the seller's sphere of operations under the same prerequisites. Difficulties of this kind must be reported to the other contractual party without delay. If, due to the circumstances described above, acceptance or delivery become impossible, both parties are entitled to withdraw from the contract.
- (3) In the event of a delay in delivery, we are entitled to request flat-rated damages for delay worth 1.5 % of the delivery value per complete week, to a maximum of 10 % of the delivery value. We retain the right to make additional legal claims. The supplier is entitled to prove to us that no, or much less significant, damage has occurred following the delay.
- (4) The supplier is obliged to provide our purchase order number accurately on all shipping papers and delivery notes. Two copies of the invoices must be sent to the purchaser on the day of dispatch. They must not be sent with the shipment. The invoices must include the following: the order number and date, the delivery date, the gross and net weight of each packaging unit, external dimensions of each packaging unit in cm, and the exact designations for every article. If the details are incorrect or incomplete, the supplier will be liable for the costs that occur as a result.

5. Place of Performance and Transfer of Risk

- (1) Place of performance is our company headquarters.
- (2) The delivery must be made "carriage paid", unless specifically agreed between the parties in writing. In doubt, the transfer of risk occurs at the time of transfer to the purchaser.

6. Defects of Quality and Title

- (1) We must examine the goods for defects of quality within a reasonable time after receipt of the goods at the destination. Complaints to customers will be considered as having been made at the right time if they are made within two weeks after goods receipt. If we return or transfer the goods in the normal course of business, and inform the supplier of this at the right time, the period available for examining the goods and raising complaints about them will be extended accordingly.
- (2) All agreed dimensions, weights and quality markings in the order or order assignment shall be considered an agreed property as defined in § 434 BGB.
- (3) The supplier accepts liability for defects of quality without fault, in the framework of § 3 and 4 BGB.
- (4) We can request rectification or a price reduction if the goods have a defect of quality at the time of transfer of risk. This rectification shall be achieved by resolving the defects or by a replacement delivery, as we choose. The supplier shall be liable for the associated costs.
- (5) If the supplier unsuccessfully attempts to rectify the delivery, refuses to rectify the delivery without justification, or lets a reasonable period for rectifying the delivery pass without taking action, we are entitled to resolve the defect ourselves, and demand reimbursement of the associated expenses.
- (6) We retain the legal right to withdraw from the contract, the right to claim damages, especially the payment of damages instead of the performance, and right of recourse in accordance with §§ 478 and 479 BGB.
- (7) The supplier accepts liability for defects of title without fault.

7. Patents

- (1) The supplier guarantees that the delivery and the foreseeable use of this delivery by us does not infringe any patents or other property rights of any third parties.
- (2) If any claim is made against us by third parties for any such violation of any property rights, the supplier shall indemnify us against any such claim on first written request and reimburse us for all necessary expenses incurred as a result of the claim.
- (3) The above provisions shall not apply insofar as the supplier has manufactured the supplied goods in accordance with documents, samples, models or similar instructions supplied by us and did not know, and should not have been expected to know, that they violated any property rights.

8. General Liability

- (1) If the supplier is responsible for a problem that gives rise to a product liability claim, the supplier must, on request, exempt us from any claims for compensation by third parties, provided that the cause is located within the supplier's sphere of authority and organisational area, and the supplier is individually liable to third parties.
- (2) In this context, the supplier also undertakes to refund any expenses incurred by or as a result of a recall action arranged by us.
- (3) Further claims and other legal recourses by us remain unaffected.
- (4) The supplier undertakes to maintain a liability insurance policy providing suitably high cover.

9. Retention of Title

- (1) The goods supplied shall remain our property. As such, they must be stored separately, and must only be used for our orders.
- (2) The supplier shall process or rework the goods on our behalf. If the goods we supply for this purpose are combined or commingled with items to which we have no title, then we shall acquire co-ownership in the new article created that is proportional to the value of the goods we have supplied at this time. If our goods are combined with a supplier's item which must be viewed as the primary product, then the supplier agrees to assign and transfer to us a proportionate joint property interest therein.
- (3) Tools which we have provided to the supplier, or paid for, shall remain our property. The supplier is obliged to use the tools exclusively for manufacturing or processing the goods ordered by us. The supplier is obliged to insure the tools that are our property at their new replacement value and to maintain them.

10. Packaging

When designing the packaging, the seller must ensure that they comply with the regulations of the current valid version of the German Packaging Ordinance and ensure that the materials used for the different types of packaging can be recycled (no composite packaging, sorting accuracy). Here, the following applies: shipping and environmental packaging and all sales packaging must be marked with a symbol for the appropriate dual (recycling) system (e.g. German REZI, Green point) or, if in doubt, can be returnable to the seller at no charge to the purchaser.

11. Data Protection

The seller agrees to treat all the information they acquire, in connection with the orders, as commercial secrets. The seller accepts liability to the purchaser for all damage that might occur as a result of infringing this duty. The seller is only authorised to refer to the commercial relationships between the purchaser and the purchaser's customers with the written approval of the purchaser. The seller must keep the addresses of the purchaser's customers, of which the seller gains knowledge, confidential.

12. General Information

- (1) The supplier's rights from this contract are not transferable. In particular, the seller is only entitled to transfer claims against the purchaser to third parties with written agreement from the purchaser. This does not apply to assignments in advance because of the extended retention of ownership. If individual provisions are legally invalid, the validity of the other provisions shall not be affected.
- (2) If the supplier is a merchant within the meaning of BGB, the sole place of jurisdiction for disputes with the supplier is our headquarters. This place of jurisdiction is not exclusive.
- (3) UN sales law (CISG) applies exclusively.